

UNITED STATES BANKRUPTCY COURT FOR THE
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	BANKRUPTCY CASE NO.
	§	
KORNBLUTH TEXAS, LLC	§	21-32261
	§	
DEBTOR	§	Chapter 11

EMERGENCY MOTION FOR AUTHORITY TO USE CASH COLLATERAL

IF YOU WANT A HEARING, YOU MUST REQUEST ONE IN WRITING, AND YOU MUST RESPOND SPECIFICALLY TO EACH PARAGRAPH OF THIS PLEADING. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED AND GIVE A COPY TO THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF.

IF A PARTY REQUESTS EMERGENCY CONSIDERATION, THE COURT MAY ACT EXPEDITIOUSLY ON THE MATTER. IF THE COURT ALLOWS A SHORTER RESPONSE TIME THAN TWENTY-ONE DAYS, YOU MUST RESPOND WITHIN THAT TIME. IF THE COURT SETS AN EMERGENCY HEARING BEFORE THE RESPONSE TIME WILL EXPIRE, ONLY ATTENDANCE AT THE HEARING IS NECESSARY TO PRESERVE YOUR RIGHTS. IF AN EMERGENCY HEARING IS NOT SET, YOU MUST RESPOND BEFORE THE RESPONSE TIME EXPIRES.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

To the Honorable Christopher M. Lopez United States Bankruptcy Judge:

COMES NOW KORNBLUTH TEXAS, LLC, Debtor, and files this its Emergency Motion for Authority to Use Cash Collateral, and in support thereof would respectfully state as follows:

1. Movant is the Debtor and Debtor in Possession herein.

2. Debtor is indebted to the Wilmington Trust, National Association, as Trustee for the benefit of the registered holders of Wells Fargo Commercial Mortgage Trust 2016-LC25, Commercial Mortgage Pass-Through Certificates, Series 2016-LC25, by and through its special servicer, LNR Partners, LLC, and the Small Business Administration, which requires this emergency motion.

3. Debtor needs to continue its business in order to propose a plan of reorganization.

4. Debtor has no alternative borrowing source and to remain in business must be allowed to use its funds collected from normal business operations to pay its payroll, utilities, supplies, franchise fees, State and local tax, internet and cable, maintenance supplies, food and beverage supplies, insurance, 401k fees, and uniforms.

5. This motion is an emergency motion under Bankruptcy Rule 4001(b)(2). Pending a final hearing on the relief requested by this motion, the Debtor needs to use the cash collateral to avoid immediate and irreparable harm to the estate in that absent such use the Debtor would be required to cease operations and not be able to meet its financial obligations.

6. The cash collateral at issue herein is income from Debtor's regular business. The Debtor is requesting authorization for use of cash collateral for 14 days in the amount of \$77,000.00. Obviously, the Debtor consent to giving Wilmington Trust, National Association, as Trustee for the benefit of the registered holders of Wells Fargo Commercial Mortgage Trust 2016-LC25, Commercial Mortgage Pass-Through Certificates, Series 2016-LC25, by and through its special servicer, LNR Partners, LLC, and the Small Business Administration replacement liens.

7. This motion is being filed as an emergency motion since the Debtor cannot spend any money until this motion is heard and granted and the Debtor requests that a hearing be set within a reasonable period of time. The undersigned certifies that an emergency does exist.

WHEREFORE, premises considered, the Debtor respectfully moves this Honorable Court to authorize the Debtor's use of cash collateral on an emergency basis and at a final hearing, and for such other and further relief as is just.

Respectfully submitted,

/s/ Margaret M. McClure
MARGARET M. MCCLURE
State Bar No. 00787997
25420 Kuykendahl Rd, Suite B300-1043
The Woodlands, Texas 77375
(713) 659-1333
(713) 658-0334 (fax)
E-mail: Margaret@mmmcclurelaw.com
ATTORNEY FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion was served on all parties in interest as set out on the attached matrix either electronically or by U.S. mail or fax on July 5, 2021.

/s/ Margaret M. McClure
MARGARET M. MCCLURE

EXHIBIT "A"
Kornbluth Texas, LLP
Budget

Income	Total 1-14 Days	30 days
Gross Monthly Income	122,000.00	279,000.00
Total	122,000.00	279,000.00
Expenses	Total 1-14 Days	30 days
Employee Payroll	24,000.00	49,000.00
State and Local Tax	13,000.00	25,000.00
Utilities	7,500.00	15,000.00
Supplies	7,500.00	15,000.00
Maintenance Supplies	5,000.00	10,000.00
Franchise	8,000.00	15,000.00
Internet & Cable	2,500.00	5,000.00
Insurance	600.00	600.00
Food & Beverage Supplies	4,500.00	9,000.00
Uniforms	125.00	250.00
Unexpected Expense	2,500.00	5,000.00
401K	1,000.00	2,000.00
Total Expenses	76,225.00	150,850.00
Net Income	45,775.00	128,150.00

Label Matrix for local noticing

0541-4

Case 21-32261

Southern District of Texas

Houston

Mon Jul 5 09:28:54 CDT 2021

Kornbluth Texas, LLC

302 W. Bay Area Blvd.

Webster, TX 77598-4116

United States Bankruptcy Court

PO Box 61010

Houston, TX 77208-1010

Harris County, et al

P.O. Box 3547

Houston, TX 77253-3547

Harris County, et al

P.O. Box 4622

Houston, TX 77210-4622

Harris County, et al

c/o Mr. John P. Dillman

P.O. Box 3064

Houston, TX 77253-3064

Texas Comptroller of Public Accounts

111 E. 17th Street

Austin, TX 78774-0100

(p) TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

REVENUE ACCOUNTING DIV - BANKRUPTCY SECTION

PO BOX 13528

AUSTIN TX 78711-3528

Texas Comptroller of Public Accounts

c/o Office of the Attorney General

P.O. Box 12548

Austin, TX 78711-2548

U.S. Small Business Administration

10737 Gateway West, Suite 300

El Paso, TX 79935-4910

US Trustee

Office of the US Trustee

515 Rusk Ave

Ste 3516

Houston, TX 77002-2604

Wilmington Trust, NA

1100 North Market Street

Wilmington, DE 19890-0001

Wilmington Trust, NA

c/o Debbie E. Green/Mark L. Patterson

2501 North Harwood Street, Suite 1900

Dallas, TX 75201-1664

Margaret Maxwell McClure

Attorney at Law

25420 Kuykendahl

Suite B300-1043

The Woodlands, TX 77375-3405

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Texas Comptroller of Public Accounts

P.O. Box 149359

Austin, TX 78714-9359

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d) Kornbluth Texas, LLC

302 W. Bay Area Blvd.

Webster, TX 77598-4116

End of Label Matrix

Mailable recipients 13

Bypassed recipients 1

Total 14